

C. DUKES SCOTT
EXECUTIVE DIRECTOR

1401 Main Street, Suite 900
Columbia, SC 29201



DAN F. ARNETT
CHIEF OF STAFF

Phone: (803) 737-0800
Fax: (803) 737-0986

JOHN W. FLITTER
DIRECTOR
ELECTRIC & GAS REGULATION

December 31, 2010

VIA ELECTRONIC FILING

Jocelyn G. Boyd, Chief Clerk & Administrator
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, South Carolina 29210

Re: Piedmont Natural Gas Company, Inc., Request for Approval of Reallocation of
Energy Efficiency Program Funds
Docket No: 2009-411-G

Dear Ms. Boyd:

The Office of Regulatory Staff ("ORS") has received, reviewed and discussed with Piedmont Natural Gas Company, Inc. ("Piedmont" or "the Company") the above referenced filing dated December 21, 2010. The Company requests to reallocate the first program year unexpended funds from the Residential Low-Income Energy Efficiency Program and the Customer Education Program to the High-Efficiency Equipment Rebate Program.

As stated in the filing, there is approximately \$25,000 in unexpended funds available in the Residential Low Income Energy Efficiency Program. This was due to the program just being started in April, 2010 and Piedmont had no prior experience in South Carolina regarding how quickly the allocated funding would be expended. As the Company nears the end of the annual period (April 2010 through March 2011), these funds remain unallocated and unexpended. Further, there is approximately \$40,000 in unexpended funds available in the Customer Education Program.

Due to the immediate and continued pace of customer participation in the High Efficiency Equipment Rebate Program, the allocated funding has been effectively exhausted in six months. The Company now believes a reallocation of the first program year unexpended funds as described above is warranted.

(Continued...)

Based upon our review of the material filed and further investigation by ORS into this request, we have no objection to Piedmont's request for the reallocation of first program year unexpended funds. Thank you for the opportunity to provide our comments in this matter.

Sincerely,



John W. Flitter

JWF/swh

cc: Dan F. Arnett
Shannon Bowyer Hudson, Esquire
Jeffrey M. Nelson, Esquire
David Carpenter
Pia Powers
James H. Jeffries, IV, Esquire
Scott M. Tyler, Esquire
Jane Lewis-Raymond, Esquire